

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-02255A  
Yarnell Water Improvement Association, Inc.  
PO Box 727  
Yarnell, AZ 85362

RECEIVED

JUN 03 2008

AZ CORP COMM  
Director Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2007
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FOR COMMISSION USE

ANN 04	07
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PROCESSED BY:

6-4-08

SCANNED

### COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Yarnell Water Improvement Assn.</u>			
<b>Mailing Address</b> <u>PO Box 727</u>			
<u>Yarnell</u> (City)	<u>Arizona</u> (State)	<u>85362</u> (Zip)	
<u>(928) 427-3321</u> Telephone No. (Include Area Code)	<u>(928) 427-0243</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)	
<b>Email Address</b> <u>ywia@w3az.net</u>			
<b>Local Office Mailing Address</b> <u>Same as above</u>			
 (City)	 (State)	 (Zip)	
 Local Office Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Cell No. (Include Area Code)	
<b>Email Address</b> _____			

### MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Tammy Zudell</u> <u>Office Manager</u>			
<u>PO Box 727</u> (Street)	<u>Yarnell</u> (City)	<u>Arizona</u> (State)	<u>85362</u> (Zip)
<u>(928) 427-3321</u> Telephone No. (Include Area Code)	<u>(928) 427-0243</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)	
<b>Email Address</b> <u>ywia@w3az.net</u>			
<b>On Site Manager:</b> _____			
 (Street)	 (City)	 (State)	 (Zip)
 Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Cell No. (Include Area Code)	
<b>Email Address</b> _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Tammy Zude II  
 (Name)  
PO Box 727 Yarnell Arizona 85362  
 (Street) (City) (State) (Zip)  
(928) 427-3321 (928) 427-0243  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)  
 Attorney: \_\_\_\_\_  
 (Name)  
 \_\_\_\_\_  
 (Street) (City) (State) (Zip)  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)  
 Email Address \_\_\_\_\_

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |  |   |
|--|---|
| <input type="checkbox"/> Sole Proprietor (S)                                       | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)   | <input type="checkbox"/> Subchapter S Corporation (Z)                     |
| <input type="checkbox"/> Bankruptcy (B)  | <input type="checkbox"/> Association/Co-op (A)                            |
| <input type="checkbox"/> Receivership (R)  | <input type="checkbox"/> Limited Liability Company                        |
| <input checked="" type="checkbox"/> Other (Describe) <u>non-profit Corporation</u> |   |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |   |                                   |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE            | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM             | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA           | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA               | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |   |                                   |

COMPANY NAME Yarnell Water Improvement Association

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	24,471		
302	Franchises	34,884		
303	Land and Land Rights	23,732		
304	Structures and Improvements	59,613		
307	Wells and Springs	1,784		
311	Pumping Equipment	82,445		
320	Water Treatment Equipment	77,416		
330	Distribution Reservoirs and Standpipes	151,423		
331	Transmission and Distribution Mains	866,661		
333	Services	2,976		
334	Meters and Meter Installations	80,457		
335	Hydrants	63,309		
336	Backflow Prevention Devices	—		
339	Other Plant and Misc. Equipment	33,805		
340	Office Furniture and Equipment	3,041		
341	Transportation Equipment	21,483		
343	Tools, Shop and Garage Equipment	7,321		
344	Laboratory Equipment	—		
345	Power Operated Equipment	400		
346	Communication Equipment			
347	Miscellaneous Equipment	30,572		
348	Other Tangible Plant	101,116		
	<b>TOTALS</b>	<b>1,669,948</b>	<b>(1,111,491)</b>	<b>558,457</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Yarnell Water Improvement Association

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	24,471	.	24,471
302	Franchises	37,864	.	37,864
303	Land and Land Rights	20,752	.	20,752
304	Structures and Improvements	59,373	0.03	59,373
307	Wells and Springs	1,784	0.03	1,784
311	Pumping Equipment	81,277	0.125	82,415
320	Water Treatment Equipment	77,416	.	77,416
330	Distribution Reservoirs and Standpipes	161,423	0.02	151,423
331	Transmission and Distribution Mains	866,661	0.02	866,661
333	Services	2,976	0.03	2,976
334	Meters and Meter Installations	84,696	0.083	80,457
335	Hydrants	61,754	0.02	63,301
336	Backflow Prevention Devices		.	
339	Other Plant and Misc. Equipment	33,986	0.06	33,805
340	Office Furniture and Equipment	7,757	0.06	5,318
341	Transportation Equipment	22,105	0.2	21,483
343	Tools, Shop and Garage Equipment	5,286	0.05	7,321
344	Laboratory Equipment	.	.	—
345	Power Operated Equipment	-	.	400
346	Communication Equipment	-	.	—
347	Miscellaneous Equipment	31,190	0.1	30,572
348	Other Tangible Plant	101,115	0.03	101,116
	<b>TOTALS</b>	<b>1,671,885</b>		<b>1,669,948</b>

This amount goes on the Comparative Statement of Income and Expense  
Acct. No. 403.

COMPANY NAME Yarnell Water Improvement Association

**BALANCE SHEET**

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 12	\$ 9,828
134	Working Funds	268	274
135	Temporary Cash Investments	41,856	12,850
141	Customer Accounts Receivable	17,332	18,546
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		703
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 59,188	\$ 42,501
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 1,661,629	\$ 1,669,948
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(1,076,099)	(1,116,491)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 585,531	\$ 558,457
	<b>TOTAL ASSETS</b>	\$ 644,719	\$ 600,658

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Yarnell Water Improvement Association

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 1441	\$(162)
232	Notes Payable (Current Portion)	39,636	41,805
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	5,494	5,651
236	Accrued Taxes	13,790	9,338
237	Accrued Interest	1,423	2,431
241	Miscellaneous Current and Accrued Liabilities	62	(2,275)
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 73,308	\$69,337
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 284,166	\$241,785
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$	\$
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value	594	594
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$	\$
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 644,719	\$600,658

COMPANY NAME Yarnell Water Improvement Association

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 227,919	\$ 232,386
460	Unmetered Water Revenue		
474	Other Water Revenues	2,794	5,170
	<b>TOTAL REVENUES</b>	<b>\$ 230,712</b>	<b>\$ 237,557</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 107,577	\$ 111,882
610	Purchased Water	<del>0</del>	<del>0</del>
615	Purchased Power	9,058	9,330
618	Chemicals	<del>0</del>	424
620	Repairs and Maintenance	12,097	8,160
621	Office Supplies and Expense	16,171	18,567
630	Outside Services	4,773	5,811
635	Water Testing	4,290	3,014
641	Rents	1,400	21
650	Transportation Expenses	2,499	2,135
657	Insurance - General Liability	12,774	10,070
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense		
408	Taxes Other Than Income	14,139	14,115
408.11	Property Taxes	14,112	13,218
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 218,821</b>	<b>\$ 219,028</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$</b>	<b>\$</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 872	\$ 1,583
421	Non-Utility Income	2,433	
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	3,305	17,864
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$ 3,305</b>	<b>\$ (16,281)</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ (4,913)</b>	<b>\$ 2,247</b>



COMPANY NAME Yarnell Water Improvement Association

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	06/25/74	04/25/75		
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ 769,000	\$ 100,000	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	5 %	5 %	%	%
Current Year Interest	\$ 13,089	\$ 1,670	\$	\$
Current Year Principle	\$ 32,497	\$ 4,314	\$	\$

Meter Deposit Balance at Test Year End

\$ 11.128

Meter Deposits Refunded During the Test Year

\$ 1,497

COMPANY NAME	Yarnell Water Improvement Association	
Name of System:	ADEQ Public Water System Number: 13-057	

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-616-736	5 hp	230	180	6	3	
55-616-737	7 hp	240	220	6	3	

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
25 hp	2	77 - 6"	7 - 2"

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
250,000	2		
40,000	1		

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME</b>	<b>Yarnell Water Improvement Association</b>
<b>Name of System:</b>	<b>ADEQ Public Water System Number: 13-057</b>

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4		7,180
5		
6		62,920
8		18,480
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	601
3/4	
1	9
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	
standpipe 2"	1

For the following three items, list the utility owned assets in each category for each system.

**TREATMENT EQUIPMENT:**

Chlorine gas

**STRUCTURES:**

**OTHER:**

Fire Hydrants - 6" - 77  
 Fire Hydrants - 2" - 6

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

COMPANY NAME:	Yarnell Water Improvement Association	
Name of System:	ADEQ Public Water System Number: 13-057	

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007**

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	520	1,229,400	1,514,000	0
FEBRUARY	520	1,780,800	2,131,000	0
MARCH	523	1,768,200	2,060,000	0
APRIL	529	3,404,800	3,845,000	0
MAY	526	3,139,800	3,572,000	0
JUNE	531	3,562,900	4,080,000	0
JULY	526	2,720,800	3,258,000	0
AUGUST	528	2,509,800	3,002,000	0
SEPTEMBER	527	2,014,100	2,447,000	0
OCTOBER	525	1,855,200	2,268,000	0
NOVEMBER	523	1,349,100	1,716,000	0
DECEMBER	527	1,383,800	1,926,000	0
TOTALS →		26,718,700	31,819,000	0

What is the level of arsenic for each well on your system? .0030 mg/l  
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1000 GPM for 5 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
(☒) Yes                      ( ) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
( ) Yes                      (☒) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
( ) Yes                      (☒) No

If yes, provide the GPCPD amount: \_\_\_\_\_

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

COMPANY NAME Yarnell Water Improvement Assn YEAR ENDING 12/31/2007

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 13.218

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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JUN 03 2008

AZ CORP COMM  
Director Utilities

**VERIFICATION  
AND  
SWORN STATEMENT  
Taxes**

**VERIFICATION**

STATE OF Arizona  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	<u>Yavapai</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Tammy Zudell office Manager</u>
COMPANY NAME	<u>Yarnell Water Improvement Assn.</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

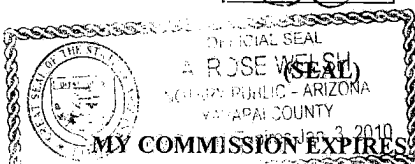
Tammy Zudell  
SIGNATURE OF OWNER OR OFFICIAL  
(428) 427-3321  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 30 DAY OF

COUNTY NAME	<u>Yavapai</u>
MONTH	<u>May</u> <u>2008</u>



Rose Welsh  
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Yrnell Water Improvement Assn. YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 102,284  
Estimated or Actual Federal Tax Liability 14,323

State Taxable Income Reported 102,284  
Estimated or Actual State Tax Liability 1,622

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0  
Amount of Gross-Up Tax Collected 0  
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Tammy Zudell  
SIGNATURE

5/30/2008  
DATE

Tammy Zudell  
PRINTED NAME

Office Manager  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

RECEIVED

JUN 03 2008

ARIZONA CORP. COMM.  
Director Utilities

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Yavapai</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Tammy Zudell Office Manager</u>
COMPANY NAME	<u>Yarnell Water Improvement Assn.</u>

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**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 252,288

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 14,731

IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

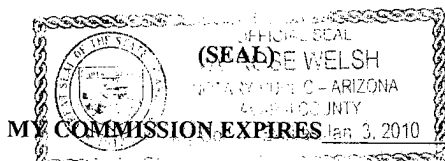
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 30 DAY OF

COUNTY NAME	<u>Yavapai</u>
MONTH	<u>May</u>
	<u>2008</u>

Tammy Zudell  
SIGNATURE OF OWNER OR OFFICIAL  
(928) 427-3321  
TELEPHONE NUMBER



1-3-2010

A. Sead Welsh  
SIGNATURE OF NOTARY PUBLIC



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE**  
Intrastate Revenues Only

RECEIVED

JUN 6 3 2008

W. CORP COMM  
Director Utilities

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Yavapai</u>	
NAME (OWNER OR OFFICIAL) <u>Tammy Zudell</u>	TITLE <u>Office Manager</u>
COMPANY NAME <u>Yarnell Water Improvement Association</u>	

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FOR THE YEAR ENDING

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HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 252,288

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 14,731

IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

Tammy Zudell  
SIGNATURE OF OWNER OR OFFICIAL  
(928) 427-3321  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

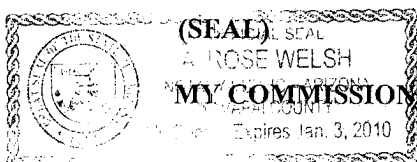
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

30

DAY OF

NOTARY PUBLIC NAME <u>Aime Rose Welsh</u>	
COUNTY NAME <u>Yavapai</u>	
MONTH <u>May</u>	YEAR <u>2008</u>



MY COMMISSION EXPIRES

1-3-2010

X

Aime Rose Welsh  
SIGNATURE OF NOTARY PUBLIC